

# Realty Trust Review

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## INVESTMENT OUTLOOK, RELATIVE APPEAL AND STATISTICAL ISSUE

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## INVESTMENT OUTLOOK: WITH INTEREST RATES STARTING TO MOVE UP, STAY WITH EQUITIES

The sharp upmove in short-term interest rates, accompanied by evidence that the Federal Reserve Board is moving to tighten credit a notch, has thrown the stock markets into a temporary tailspin. Only time will tell whether this is the real thing but it appears that there is a lot of time left before money markets become clogged with business borrowings. We're not predicting that short-term rates will back off again but merely saying they aren't yet showing the bite they did in 1972-3.

In the face of this new money alarm, shares of dividend paying REITs have shown good firmness overall, while shares of the non-dividend payers have moved down near their lows for the year. These issues are so thoroughly deflated that they appear immune to news, good or bad and are more at the mercy of traders and short coverers. The dividend payers are largely in the same rut, with not even good news breaking them out on the upside. Washington REIT upped its dividend, for instance, but that nudged shares only a bit higher.

All this is to be expected and can be worked to your advantage if you understand the market forces at work. Historically real estate and REIT shares march to a different drummer than the Dow-Jones Industrials. These securities generally swing in cycles of about five years peak to trough. If this cycle is approximately correct, then quality equity trusts represent one of the market's best buys for conservative investors today. Our index of equity trusts, for instance, peaked at 239 just seven years ago this week, in May 1969. They bottomed at 55 in December 1974 and have been marking time in the 55-75 range for 1½ years; they closed at 72 this month. In contrast the mortgage trusts didn't peak till much later, October 1971 and touched a low only this past December. The graph on page 3 tells the story of these two divergent indexes.

If past history comes anywhere near repeating, then the equity trusts who've survived this unprecedented real estate recession can be expected to return to investor favor very gradually over the next year or so. Already there's some evidence that the equity trusts are finding some investor interest. Consolidated Capital Realty, reviewed last issue, has just sold \$50 million of new shares over two years,

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GROUP RATES ON REQUEST

## RELATIVE APPEAL RANKINGS AND LATEST RESULTS

Relative Appeal (RA) Rankings, shown in the extreme left column, give Audit Investment Research's current view of attractiveness of current share purchases. Dividend paying trusts are ranked from 1 to 4 based upon capital preservation and income outlook. Non-dividend paying trusts are ranked No. 5 with gradations shown below. Each trust comment contains brief advice on suitability of both shares and bonds. Average market risk is assumed for all share purchases. Changes in rankings are indicated by ↑ UP ↓ DOWN. Relative appeal rankings mean:

- 1--Highest appeal with lowest market risk, dividend outlook stable to up.
- 2--Above average appeal, somewhat higher market risk, some quarterly dividend variations.
- 3--Average appeal and market risk, larger dividend fluctuations or resummptions possible.
- 4--Below average appeal, high market risk, large dividend cuts or omissions possible.

NON-DIVIDEND paying trusts are ranked No. 5, are not recommended for income investors, but may have special appeal as speculations upon dividend resumption, trust recovery, or price changes based on money market rates. Gradations are:

\* Book value believed reasonably sound; possible dividend resumptions.

# Serious problems: SEC trading halt; no auditor's opinion; debt defaults; Chapter XI; SEC probe; banks calling loans.

Portfolio shows: invested assets in millions of dollars (M); % of problem non-earning assets; & property type mix.

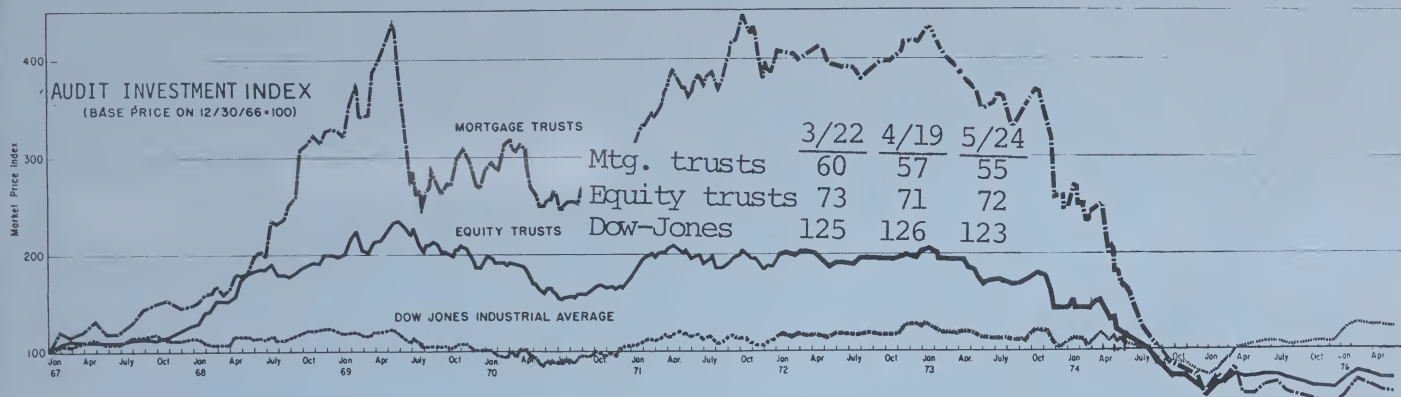
Financing shows: leverage ratio of all debt to shareholder equity; current financing arrangements.

Results compare latest quarter earnings and dividends with previous quarter. Share amounts are shown unless indicated as Million dollars (M). All data, rankings and advice inspected and revised monthly.

RA--TRUST (Date reviewed-Type-FY) Portfolio size, % problem status & mix; Financing; Latest EPS results, dividends & advice

- #5-ALISON MTG (2/13/6-Inter. mtg.-Oct FY) VOTING NON-REIT PWR; Port. \$245M, 61% problem: 31% condos, 16% apts., 15% land; Financing: Negative equity; signed \$172M credit at 1% minimum int., ending 10/31/77 initially, with contingent int. for 8-10 yrs.; Seeking debenture interest cut; Results: Jan. Q d\$1.49 v. d\$9.70; Shares: Avoid
- 5-AMER CENTURY (4/15/4-ST mtg.-June FY) Port. \$151M, 62% problem: 28% condos, 20% land, 14% office, 13% hotel, 12% apts.; Financing: 5.5 leverage: Signed \$112M credit at 5% minimum interest, ending 10/1/78, + contingent int. for 10 yrs.; Results: Mar. Q d67¢ after 42¢ loss prov., v. d\$1.05; Bonds: OK for yield; Shares: Trading
- 5-AMER FLETCHER (4/15/4-ST mtg.-Jan FY) Port. \$97M, 86% problem: 33% condos, 31% land & devel., 14% apts., 12% shop. ctrs.; Financing: 8.4 leverage: paying 2% to June 30 when extension of \$93.3M credit expected at reduced rate; defaults waived; Results: Apr. Q EPS d87¢ v. d\$14.51 after loss prov.; Shares: Trading & long-term recovery
- #5-AMER REALTY (8/12/4-Eq&Mtg-Sep FY) Port. \$46M, 38% problem: Mix 32% mortgages, 68% equity mainly hotels/motels Washington, D.C. area; Financing: 3.4 leverage: \$17.3M demand notes secured by asset pledge; SEC probe and suit; no auditor's opinion; Results: Dec. Q EPS d23¢ v. d\$1.30; Bonds & shares: Avoid
- 4-API TRUST (No review-Equity-Mar FY) Port. \$54M, 6% problem: 77% in 26 shopping centers, most net leased, & 23% in mtgs.; Financing: 3.2 leverage; 50% by mortgages on property, 50% by short-term loans; Results: Dec. Q EPS d30¢ after 38¢ capital loss, v. 13¢; March dividend 10¢ unchanged; Shares: Lesser quality; Lee Nat'l. to offer preferred
- \* 5-ATICO MTG. (11/11/4-ST mtg.-Oct FY) VOTING NON-REIT PWR; Port. \$163M, 75% problem: 47% condos, 28% land & devel., 15% apts.; Financing: 5.5 leverage; signing \$103.9M credit expected at 1½% cash int. to 10/31/77 + 4-yr. contingent inter.; Swapped \$3.4M assets; Results: Jan. Q d54¢ after 14¢ gain on swaps, v. d\$5.59. Bonds: Risky. Shares: Trading
- 5-ATLANTA NATL (4/15/4-LT mtg.-Aug FY) NON-QUAL REIT; Port. \$40M, 73% problem: 25% medical, 24% condo, 23% apts.; Financing: 1.3 leverage; \$18.4M credit at 132% of prime, assets pledged; must liquidate to repay debt by Jan.'78; Results: Feb. Q EPS d31¢ after 24¢ loss prov. v. d54¢; Shares: Unattractive because of liquidation
- 4-BAIRD & WARNER (11/14/5-ST mtg.-July FY) Port. \$45M, 35% problem: 35% industrial, 20% condos, 15% shop. ctrs.; Financing: 1.4 leverage; Bank lines being cut \$15M to \$32M (\$17M borrowed); Dividends: Paying last 30¢ qtrly. from FY'75 & no new payouts till FY'76 reported; Results: Jan. Q 5¢ EPS v. 12¢; Converts: May have risk. Shares: Avoid for now
- 4-BANKAMERICA RLTY (1/16/6-Eq.&Mtg.-July FY) Port. \$260M, 20% problem; 57% mtgs., 43% equity: 25% apts., 24% shop. ctrs., 29% office; Financing: 3.8 leverage; selling unrated commercial paper; cutting bank lines \$15½M; Results: Apr. Q EPS 10¢ v. 2¢; Dividend 5¢ unch.; Converts: For yield. Shares: Buy for recovery
- 5-BARNES MTG (12/9/4-ST mtg.-Sep FY) Port. \$106M, 53% problem; 45% condo, 24% land; 28% Puerto Rico, 34% Florida; Financing: 2.5 leverage; \$79M bank lines at 125% of prime, no compensating balances; Results: Mar. Q EPS d18¢ v. d26¢; Shares: Trading or very long-term recovery
- #5-BARNETT MTG (3/12/6-ST mtg.-Mar FY) NON-QUAL REIT; Port. \$222M, 93% problem; 38% condos, 18% apts., 18% land; Financing: Negative equity; \$222.8M credit at 1% base, + contingent interest payable to 1987; Swapped \$116M assets; Results: Mar FY d\$7.80; Mar. Q EPS d\$2.13 after \$1.50 gain on swaps, v. d\$1.39. Bonds & shares: Avoid
- 5-BARNETT-WINSTON (8/12/4-Inter. mtg.-Sep FY) NON-QUAL REIT; Port. \$103M, 82% problem; 41% apts., 24% land & devel., 14% condos; Financing: 6.0 leverage; \$33M bank lines, seeking interest cut; Will swap 8½% subor. debentures for property; Results: Mar. Q EPS d\$4.91 v. d\$1.13. Bonds: For swaps. Shares: Avoid
- 5-BENEF STD MTG (12/9/4-ST mtg.-July FY) CAN END REIT STATUS; Port. \$81M, 75% problem; 29% land & devel., 21% condos, 12% apts.; Financing: 9.6 leverage; \$46M revolver at 125% of prime, no compensating balances; no contingent interest; Results: Jan. Q EPS d\$2.49 after \$2.21 loss prov., v. d46¢; Converts: Speculative yield. Shares: Trading
- 5-BRT REALTY TR (12/10/3-Eq&Mtg-Nov FY) Port. \$28M, 71% problem: 28% hotel/motel, 25% condos, 22% land & devel. Financing: 1.8 leverage; \$16.2M revolver at 125% of prime due 9/15/76; Results: Feb. Q EPS d21¢ v. d35¢. Shares: Long recovery
- 5-BT MTG INVESTORS (2/13/6-ST mtg.-Sep FY) CAN END REIT STATUS; Port. \$162M, 54% problem: 34% apts., 15% land, 10% nursing homes; Financing: High leverage; \$119.8M credit at 4% minimum, to 9/77, with contingent int.; Sponsor Bankers Trust N.Y. lends 55% of credit; Results: Mar. Q d46¢ v. d38¢. Bonds: Risky yield. Shares: Trading





and Federal Realty has a 400,000 share offering in registration. And some big money is moving into the game, too. This past week Bass Brothers, a privately held oil and gas concern in Fort Worth, announced that it may make a cash tender offer for U.S. Leasing Real Estate Investors (soon to become self-administered under the San Francisco RE name). Bass Brothers talked about offering \$7/share--a final decision will be made soon--vs. a \$5.75 price before the announcement. The offer would be for about 37% of U.S. Leasing shares. Lee National, real estate firm, just picked up an interest in API Trust (formerly Arlen Property) and plans an offer for the rest. Other tenders are most likely in coming months.

All this means that investors must have sharper tools than ever before, and to this end we are beginning this issue a major expansion of our RELATIVE APPEAL RANKINGS feature. We've expanded our comments on each trust into condensed reviews, covering briefly their portfolio status, financing terms, recent earnings results. Finally we've added brief advisory comments on both the bonds and shares of the issues we cover. Next we increased the printing size to make it more readable, in line with many of your comments. The new RELATIVE APPEAL RANKINGS will require six pages, instead of the two you've become accustomed to. The first two pages in the new format are on pages 2 and 7 of this issue; remaining stocks will be covered in the next issue June 12. As always, your comments on the new format are welcomed.

Beneath the market action a lot of politicking is going on behind the scenes. Now politicking is natural in an election year but some actions in Washington could change the shape of the REIT industry in coming years. Sen. William Proxmire (D, Wis.) has introduced legislation that would, among other things, bar bank holding companies from engaging in any activity not directly related to banking, and the definition appears to embrace advising REITs. The legislation as written would grandfather existing banks who sponsor REITs but would prohibit new entries. Your editor appeared before the Senate Committee on Banking, Housing and Urban Affairs to support the intent of the proposal, adding the hope that all REITs will become truly independent in time. We believe this would work to the long-range benefits of shareholders. Limited copies of the statement to the Committee are available if you'll write enclosing a self-addressed stamped envelope.

Non-earning REIT investments continue their very moderate upward march, indicating that the bottom of the real estate recession hasn't been reached yet (or at least the discovery of bad loans hasn't ended). Our monthly tally:

Group	Number	---Invested assets---		%	Month %
		Non-earning	Total		
Short-term mortgage.....	59	\$7,499MM	\$10,632MM	71%	+1.0%
Inter. & long-term mtg..	28	1,696	4,260	40	+0.5
Equity & combination....	44	933	3,506	27	+0.5
TOTALS/AVERAGES...	131	\$10,128	\$18,398	55%	+0.9%

	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	EARNINGS MON	ANN*	LAST PRICE	-% CHNG MON AGO	FROM-- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RET ON BK	MKT VA (MIL\$)
EQUITY TRUSTS														
API TRUST #	U-APITS	1012	12.58	0.40	DEC	0.00	4.50X	22.7	-10.0	0.0	8.9	-64.2	0.0	4.6
C I REALTY #	N-CIX	2609	16.91	0.00	NOV	0.00	3.63	0.0	32.0	0.0	0.0	-78.5	0.0	9.5
CITIZENS GR*	O-CITGS	811	15.34	0.00	OCT	0.00	1.25	0.0	25.0	0.0	0.0	-91.9	0.0	1.0
CON ILL PRO#	N-CIE	4808	20.25	1.28	OCT	1.20	11.75	0.0	18.9	9.8	10.9	-42.0	5.9	56.5
CONSO CAP R#	O-CCKI6	2000	21.65	2.00	NOV	1.61	25.50	2.0	2.0	15.6	7.8	17.8	7.4	51.0
DENVER REI #	O-DENV5	1091	9.15	0.60	MAR	0.56	7.00	5.6	5.6	12.5	8.6	-23.5	6.1	7.6
FEDERAL RLTY	A-FRT	818	9.32	1.24	MAR	1.32	12.75	0.0	15.9	9.7	9.7	36.8	14.2	10.4
FIRST UNION#	N-FUK	3981	8.52	0.96	JAN	1.12	10.75	-3.4	8.8	9.6	8.9	26.2	13.1	42.8
FLOWIDA GLF#	O-FGLFS	975	16.26	1.28	JAN	1.28	11.50	9.5	21.1	9.0	11.1	-29.3	7.9	11.2
FST FIDELTY#	O-FFITS	866	10.93	0.00	NOV	0.00	2.38	19.0	-4.8	0.0	0.0	-78.2	0.0	2.1
GENERAL GRO#	N-GGP	6027	6.30	1.32	MAR	1.40	18.88	-2.6	20.8	13.5	7.0	199.7	22.2	113.8
GOULD INVST#	A-GTR	1179	6.93	0.00	MAR	0.64	2.94	-14.5	-2.0	4.6	0.0	-57.6	9.2	3.5
GREIT RLY#	A-GHT	998	10.77	0.40	JAN	1.12	6.25	-2.0	35.0	5.6	6.4	-42.0	10.4	6.2
HUBBARD REI	N-HRE	4004	21.83	1.20	JAN	1.48	13.63	0.0	22.5	9.2	8.8	-37.6	6.8	54.6
NEW PLAN RL	O-NPLNS	1330	2.24	0.90	JAN	1.00	8.00X	9.4	39.1	8.0	11.2	257.1	44.6	10.6
PENN REIT #	A-PEI	1515	11.17	1.15	FEB	1.42	11.50	0.0	17.9	8.1	10.0	3.0	12.7	17.4
REIT OF AMER	A-REI	1633	21.22	1.40	FEB	1.16	15.00	-0.9	-2.5	12.9	9.3	-29.3	5.5	24.5
SUMMIT PROP#	O-SMMS	1554	7.46	0.00	JAN	0.31	2.25	-10.0	28.6	7.3	0.0	-69.8	4.2	3.5
WASH REIT #	A-WRE	1471	10.61	1.56	MAR	1.80	17.13	8.8	16.1	9.5	9.1	61.5	17.0	25.2
WISC REI FD#	O-WREIS	1514	5.53	0.00	DEC	0.00	1.50	-14.3	20.0	0.0	0.0	-72.9	0.0	2.3
GROUP AVERAGE		2010	11.30	0.78		0.87	9.40	1.6	13.2	10.8	8.3	-16.8	7.7	458.3

EQUITY AND MORTGAGE COMBINATION TRUSTS														
AMER REALTY	A-ARB	2222	4.48	0.00	DEC	0.00	0.25	0.0	-77.9	0.0	0.0	-94.4	0.0	0.6
BANKAM RLTY	O-BRLTS	3547	14.62	0.20	APR	0.40	6.88X	8.6	14.7	17.2	2.9	-52.9	2.7	24.4
BRT RLTY TR	A-BRT	1400	6.50	0.00	FEB	0.00	0.81	0.0	62.0	0.0	0.0	-87.5	0.0	1.1
FLATLEY RLT	O-FLTLS	1000	6.83	0.00	DEC	0.00	1.50	-14.3	50.0	0.0	0.0	-78.0	0.0	1.5
FRANKLIN RLY	A-FR	999	7.95	0.00	DEC	0.00	2.38	-29.6	46.0	0.0	0.0	-70.1	0.0	2.4
HOTEL INVSTR	A-HOT	1545	18.12	1.40	FEB	1.72	13.38	-1.3	20.2	7.8	10.5	-26.2	9.5	20.7
INDIANA M&R#	O-INDMS	1154	14.67	0.00	MAR	0.00	2.50	-4.9	25.0	0.0	0.0	-83.0	0.0	2.9
INVESTOR RL#	A-IRT	1579	11.41	0.00	FEB	0.12	3.75	-9.2	-9.2	31.3	0.0	-67.1	1.1	5.9
JMB REALTY#	O-JMBRS	510	18.22	1.60	NOV	1.84	12.00	0.0	20.0	6.5	13.3	-34.1	10.1	6.1
LINCOLN MTG*	O-LNMTS	1155	2.97	0.00	DEC	0.00	0.63	26.0	152.0	0.0	0.0	-78.8	0.0	0.7
MILLER HEN S	O-HSMTS	560	16.60	0.00	FEB	0.00	5.75	21.1	21.1	0.0	0.0	-65.4	0.0	3.2
NJB PRIME	O-NJB	1280	-4.51	0.00	NOV	0.00	0.19	26.7	46.2	0.0	0.0	NEG.	0.0	0.2
PLAZA REALTY	A-PNE	1114	8.24	0.00	SEP	0.00	1.13	-9.6	0.0	0.0	0.0	-86.3	0.0	1.3
RIVIERE RLY#	O-RIV16	783	8.34	1.00	DEC	1.12	8.50	6.3	0.0	7.6	11.5	1.9	13.4	6.7
RLTY INCOME	A-RIT	1563	12.19	0.60	JAN	0.36	6.75X	-4.8	17.4	18.8	8.9	-44.6	3.0	10.6
SAUL (BF)REI	N-BFS	5658	8.50	0.00	MAR	0.00	3.88	3.5	14.8	0.0	0.0	-54.4	0.0	22.0
US RANCRP #	A-URT	840	18.44	0.00	FEB	0.00	6.75	-1.9	17.4	0.0	0.0	-63.4	0.0	5.7
US LSG REI #	A-USE	1348	19.93	0.00	MAR	0.00	6.50	13.0	92.3	14.8	0.0	-67.4	2.2	8.8
US REALTY #	N-UTY	3434	5.31	0.00	MAR	0.00	2.38	19.0	19.0	0.0	0.0	-55.2	0.0	8.2
VIRGINIA RE#	O-VARES	1251	9.82	0.00	MAR	0.28	4.50	-25.0	26.6	16.1	0.0	-54.2	2.9	5.6
WALTER RLTY#	O-WALJS	1035	16.39	0.00	JAN	0.00	7.00	33.3	75.0	0.0	0.0	-57.3	0.0	7.2
GROUP AVERAGE		1618	10.72	0.23		0.30	4.64	1.2	21.7	15.5	4.9	-56.7	2.8	145.7

SUBORDINATED LAND TRUSTS														
CABOT LAND	N-CFT	2992	8.33	0.00	FEB	0.00	2.25	-18.2	-10.0	0.0	0.0	-73.0	0.0	6.7
ICM REALTY	A-ICM	3011	18.68	0.80	FEB	0.92	7.06	6.5	-15.8	7.7	11.3	-62.2	4.9	21.3
PROPERTY CAP	A-PCL	2065	13.67	1.20	APR	1.20	9.88X	2.4	19.8	8.2	12.1	-27.7	8.8	20.4
GROUP AVERAGE		2689	13.56	0.67		0.71	6.40	0.9	0.3	9.1	10.4	-52.8	5.2	48.4

SHORT-TERM MTG-MTG BANKER														
ATICO MTG IN	N-ACO	2706	8.30	0.00	JAN	0.00	2.13	-19.0	42.0	0.0	0.0	-74.3	0.0	5.8
BAIRD & WARR	O-BAIDS	1043	17.76	1.20	JAN	0.20	5.50X	-7.2	-6.5	27.5	21.8	-69.0	1.1	5.7
BARNES MTG	O-BARNS	1910	15.10	0.00	MAR	0.00	2.25	-25.0	0.0	0.0	0.0	-85.1	0.0	4.3
CENTRAL MTG	O-CMRTS	775	15.60	0.00	DEC	0.00	3.13	-7.4	0.0	0.0	0.0	-79.9	0.0	2.4
COLWELL MTG	N-CLM	2030	3.55	0.00	MAR	0.00	2.00	-20.0	14.3	0.0	0.0	-43.7	0.0	4.1
FIRST CONTNL	O-FCRES	2106	10.27	0.64	NOV	0.84	6.38	-7.3	27.6	7.6	10.0	-37.9	8.2	13.4
FRASER MTG I	O-FRASS	1038	16.75	1.00	FEB	1.00	8.50	-2.9	3.0	8.5	11.8	-49.3	6.0	8.8
GUARDIAN MI	N-GMI	3000	-3.61	0.00	NOV	0.00	1.50	-14.3	-8.0	0.0	0.0	NEG.	0.0	4.5
HEITMAN MTG	A-HTM	3292	3.72	0.00	MAR	0.00	1.25	-16.7	25.0	0.0	0.0	-66.4	0.0	4.1
JUSTICE MTG	N-JMI	1184	6.35	0.00	DEC	0.00	2.13	-22.5	30.7	0.0	0.0	-66.5	0.0	2.5
KMC MTG IN	O-KMTGS	1100	5.78	0.00	NOV	0.00	0.88	-12.0	17.3	0.0	0.0	-84.8	0.0	1.0
LOMAS & NTLN	N-LOM	3700	31.76	0.36	MAR	0.36	13.00X	-15.5	-11.1	36.1	2.8	-59.1	1.1	48.1
M&T MTG INV	O-MTMS	1482	10.25	1.04	FEB	1.04	7.50	1.6	17.6	7.2	13.9	-26.8	10.1	11.1
MIDLAND MTG	N-MMT	2382	4.52	0.00	MAR	0.00	1.63	-18.5	18.1	0.0	0.0	-63.9	0.0	3.9
NO AMER MTG	N-NAM	4403	13.48	1.00	MAR	0.20	5.75X	-17.2	4.5	28.8	17.4	-57.3	1.5	25.3
SUTRO MTG IN	N-SUT	2322	14.84	0.00	MAR	0.00	5.00	0.0	21.1	0.0	0.0	-66.3	0.0	11.6
TMC MTG INV	O-TMG	800	-3.25	0.00	SEP	0.00	1.00	-20.0	300.0	0.0	0.0	NEG.	0.0	0.8
GROUP AVERAGE		2075	10.07	0.31		0.21	4.09	-10.9	6.9	19.1	7.5	-59.4	2.1	157.5

#NET CASH FLOW, SEE PAGE 6. \*GROSS CASH FLOW. NEG.-NEGATIVE BOOK VALUE.

ARROWS DENOTE NEW EARNINGS OR DIVIDEND REPORTS AND DIRECTION. ZEROES INDICATE LOSS OR NO EARNINGS FOR QUARTER SHOWN.

DELETED: CIT INDUSTRIES. INSERTED: CONSOLIDATED CAPITAL REALTY INVESTORS.

DELETED: FIRST OF DENVER MORTGAGE INVESTORS.



	EXCH/ SYMBOL	SHAHE (000)	BOOK VALUE	ANN DIV*	EARNINGS MON	ANN*	LAST PRICE	-% CHNG MON AGO	FROM-- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RET ON BK	MKT VA (MIL\$)
SHORT-TERM MTG-INDEPENDENT														
HULLERS INV	U-HULDS	2929	-0.44	0.00	DEC	0.00	0.38	52.0	52.0	0.0	0.0	NEG.	0.0	1.1
CAPITAL MI	N-CMU	1675	1.42	0.00	MAR	0.00	1.25	-28.6	25.0	0.0	0.0	-12.0	0.0	2.1
CONTNL MTG	O-CMI	20838	0.12	0.00	DEC	0.00	0.13	-27.8	-56.7	0.0	0.0	8.3	0.0	2.7
DOMINION M&R	O-DMRTS	639	3.73	0.00	AUG	0.00	0.13	0.0	-65.8	0.0	0.0	-96.5	0.0	0.1
FIDELITY MI	O-FID	3046	-16.18	0.00	OCT	0.00	0.13	0.0	333.3	0.0	0.0	NEG.	0.0	0.4
FIRST MTG IN	O-FIM	8495	-10.12	0.00	OCT	0.00	0.47	4.4	88.0	0.0	0.0	NEG.	0.0	4.0
HAMILTON INV	O-HAMTS	2095	10.87	0.00	MAR	0.00	1.25	-28.6	42.0	0.0	0.0	-88.5	0.0	2.6
MISSION INV	A-MIT	1812	5.40	0.00	FEB	0.00	2.25	80.0	200.0	0.0	0.0	-58.3	0.0	4.1
MTG INV WASH	O-MINVS	2146	8.69	0.00	SEP	0.00	4.13	6.4	3.2	0.0	0.0	-52.5	0.0	8.9
NATIONAL MTG	O-NMF	2353	1.42	0.00	NOV	0.00	0.19	-24.0	216.7	0.0	0.0	-86.6	0.0	0.4
REPUBLIC MI	N-RMI	2107	7.61	0.00	MAR	0.00	1.63	-18.5	44.2	0.0	0.0	-78.6	0.0	3.4
TEXAS 1ST MT	O-TFMS	1055	7.10	0.00	MAR	0.00	1.38	-5.0	38.0	0.0	0.0	-80.6	0.0	1.5
TIERCO	O-GSR	1161	4.50	0.00	MAR	0.00	0.63	-16.0	26.0	0.0	0.0	-86.0	0.0	0.7
UMET TRUST	N-UAT	2109	7.90	0.00	FEB	0.00	1.25	-23.3	-16.7	0.0	0.0	-84.2	0.0	2.6
WESTERN MI	O-WMTGS	1001	7.23	0.00	NOV	0.00	1.25	-9.4	10.6	0.0	0.0	-82.7	0.0	1.3
GROUP AVERAGE		3564	2.59	0.00		0.00	1.10	-4.8	25.0	0.0	0.0	-57.7	0.0	35.9

SHORT-TERM MTG-COMCL BANK														
AMER FLETCHER	U-AFM	1352	6.70	0.00	APR	0.00	1.75	0.0	-17.8	0.0	0.0	-73.9	0.0	2.4
HARNETT MTG	O-HMT	2174	-4.76	0.00	MAR	0.00	0.31	-18.4	138.5	0.0	0.0	NEG.	0.0	0.7
CAMERON-BROWN	N-CB	2016	12.19	0.00	MAR	0.00	2.13	-14.8	70.4	0.0	0.0	-82.5	0.0	4.3
CHASE MAN MT	N-CMR	4886	-12.64	0.00	FEB	0.00	2.75	-8.3	-8.3	0.0	0.0	NEG.	0.0	13.4
CITINATL DEV	O-CITIG	600	13.22	0.00	SEP	0.24	2.00	-38.5	52.7	8.3	0.0	-84.9	1.8	1.2
CITIZENS MI	O-CZM	1421	-7.99	0.00	DEC	0.00	0.25	0.0	-80.0	0.0	0.0	NEG.	0.0	0.4
CITIZENS&S O HL	N-CZS	3829	1.59	0.00	MAR	0.00	2.00	-11.1	14.3	0.0	0.0	25.8	0.0	7.7
CONT ILL RLY	N-CIR	2797	8.00	0.00	DEC	0.00	1.75	-6.9	16.7	0.0	0.0	-78.1	0.0	4.9
FST COMMERCE	O-FCHRS	1008	18.07	0.00	MAR	0.00	5.75	-8.0	43.8	0.0	0.0	-68.2	0.0	5.8
FST DENVER MI	O-FDENS	1621	3.56	0.00	MAR	0.00	0.88	-12.0	-36.2	0.0	0.0	-75.3	0.0	1.4
FST PENN MT	N-FPM	2961	11.57	0.00	JAN	0.00	1.88	-21.0	-11.7	0.0	0.0	-83.8	0.0	5.6
FST WISCON MT	O-FWM	1910	6.75	0.00	DEC	0.00	1.13	13.0	79.4	0.0	0.0	-83.3	0.0	2.2
INDEPEND MTG	O-IMTGS	2500	1.00	0.00	DEC	0.00	0.44	-12.0	-12.0	0.0	0.0	-56.0	0.0	1.1
MARYLAND RLY	O-MURTS	760	8.40	0.00	NOV	0.00	2.13	0.0	54.3	0.0	0.0	-74.6	0.0	1.6
TRI-SOUTH MI	O-TSI	2260	3.84	0.00	MAR	0.00	0.88	0.0	76.0	0.0	0.0	-77.1	0.0	2.0
WACHOVIA RLY	N-WRI	3335	14.09	0.00	FEB	0.00	3.50	-9.8	27.3	0.0	0.0	-75.2	0.0	11.7
WELLS FAY MI	N-WFM	3911	17.21	0.32	MAR	0.52	7.00X	-7.2	27.3	13.5	4.6	-59.3	3.0	27.4
GROUP AVERAGE		2314	5.93	0.02		0.04	2.15	-10.5	17.5	48.1	0.9	-63.8	0.8	93.6

SHORT-TERM-MISC FINCL														
AMER CENTURY	N-ACT	2607	7.65	0.00	MAR	0.00	1.63	-6.9	44.2	0.0	0.0	-78.7	0.0	4.2
GENEF STD MI	N-HSM	1355	4.61	0.00	JAN	0.00	2.25	0.0	12.5	0.0	0.0	-51.2	0.0	3.0
CI MTG GROUP	N-CI	4812	1.56	0.00	JAN	0.00	1.13	352.0	13.0	0.0	0.0	-27.6	0.0	5.4
GRT AMER MI	O-GAA	4456	-13.10	0.00	JAN	0.00	0.40	-20.0	60.0	0.0	0.0	NEG.	0.0	1.8
HANOVER SQ R	A-HSQ	946	11.60	0.00	FEB	0.00	3.31	3.8	14.9	0.0	0.0	-71.5	0.0	3.1
IDS RLY TR	N-IDR	2409	-1.91	0.00	JAN	0.00	2.00	-24.0	-33.3	0.0	0.0	NEG.	0.0	4.8
INSTITUTAL	N-INV	6074	10.39	0.00	JAN	0.00	1.38	0.0	0.0	0.0	0.0	-86.7	0.0	8.4
LMI INVSTORS	O-LWN	2009	3.88	0.00	DEC	0.00	0.38	-24.0	-56.8	0.0	0.0	-90.2	0.0	0.8
MTG TRUST AM	N-MT	3460	13.45	0.00	FEB	0.00	3.63	7.4	26.0	0.0	0.0	-73.0	0.0	14.0
NATIONWID RE	O-NRELS	1047	23.95	0.12	MAR	0.12	3.75X	-5.5	15.4	31.3	3.2	-84.3	0.5	3.9
GROUP AVERAGE		2958	6.21	0.01		0.01	1.99	0.3	6.5	165.5	0.6	-68.0	0.2	49.6

INTERMEDIATE-TERM MORTGAGES														
ALLISON MTG I	O-AMV	2339	-6.17	0.00	JAN	0.00	0.75	-33.6	19.0	0.0	0.0	NEG.	0.0	1.8
HARFET-WINST	O-HWITS	1663	3.07	0.00	MAR	0.00	0.75	-25.0	-14.8	0.0	0.0	-75.6	0.0	1.2
DIVERSIFD MI	N-DMG	7327	9.35	0.00	MAR	0.00	1.25	-23.3	10.6	0.0	0.0	-86.6	0.0	9.2
FST VIRGINIA	O-FVM	1208	2.72	0.00	MAR	0.00	0.75	-25.0	19.0	0.0	0.0	-72.4	0.0	0.9
RLTY REFUND	A-HRF	1045	18.42	2.08	APR	2.08	14.75X	-1.5	20.4	7.1	14.1	-19.9	11.3	15.4
SECURITY MT	A-SMO	6787	6.61	0.00	MAR	0.00	1.06	-15.2	41.3	0.0	0.0	-84.0	0.0	1.2
GROUP AVERAGE		3395	5.67	0.35		0.35	3.22	-7.8	18.7	9.3	10.8	-43.2	6.1	35.7

LONG-TERM MTG & EQUITIES														
ATLANTA NATL	O-ATNAS	1260	11.37	0.00	FEB	0.00	2.25	12.5	80.0	0.0	0.0	-80.2	0.0	2.8
RT MTG INVTR	N-RTM	2116	1.02	0.00	MAR	0.00	2.50	-4.9	17.4	0.0	0.0	145.1	0.0	5.3
CLEVELAND RL	O-CTRIS	2525	11.20	0.00	MAR	0.00	2.00	0.0	14.3	0.0	0.0	-82.1	0.0	5.0
CON GEN MSR#	N-CGM	5715	19.51	1.60	MAR	1.80	16.25X	0.9	19.2	9.0	9.8	-16.7	9.2	92.9
COUSINS M&E	N-CUZ	3854	3.73	0.00	FEB	0.00	2.00	-11.1	60.0	0.0	0.0	-46.4	0.0	7.7
EQUIT LF MTG	N-EQ	5597	23.57	2.00	APR	2.08	21.50	-1.1	21.1	10.3	9.3	-8.8	8.8	120.3
FIDELCO GROW	A-FGI	1580	20.01	0.00	FEB	0.00	3.13	-3.7	-21.8	0.0	0.0	-84.4	0.0	4.9
FST MEMPHIS	O-FMEMS	1156	9.00	0.00	FEB	0.00	2.38	0.0	26.6	0.0	0.0	-73.6	0.0	2.8
GULF MTG&RLY	N-GMR	2210	6.87	0.00	FEB	0.00	1.88	-21.0	36.2	0.0	0.0	-72.6	0.0	4.2
HNC MTG&RLY	O-HNCMS	2388	6.05	0.00	APR	0.00	0.75	-14.8	-33.6	0.0	0.0	-87.6	0.0	1.8
HOSPITAL MTG	A-HMG	1178	23.28	0.60	NOV	0.92	6.13	-12.4	6.6	6.7	9.8	-73.7	4.0	7.2
MASSMUT MTG	N-MML	4670	19.36	1.12	OCT	1.04	11.38	4.6	13.8	10.9	9.8	-41.2	5.4	53.1
MONY MTG INV	N-MYM	8825	9.99	0.80	FEB	0.80	8.25	3.1	11.8	10.3	9.7	-17.4	8.0	72.8
MTG GROWTH I	A-MTG	2652	10.96	0.48	FEB	0.20	4.75	-2.7	26.7	23.8	10.1	-56.7	1.8	12.6
NOWSTN FINC	O-NFINS	1510	15.29	0.00	DEC	0.00	3.13	-3.7	19.0	0.0	0.0	-79.5	0.0	4.7
NOWSTN MUTL	N-NML	4758	19.52	1.00	MAR	0.32	10.38	2.5	2.5	32.4	9.6	-46.8	1.6	49.4
OLU STONE M#	O-USMRS	813	10.24	0.00	MAR	0.00	5.75	-2.2	43.8	0.0	0.0	-43.8	0.0	4.7
PACIFIC STN	O-PSMTS	814	12.19	0.00	DEC	0.00	5.25	5.0	35.3	0.0	0.0	-56.9	0.0	4.3
PNH MTG&RLY	N-PNI	2437	18.43	0.00	DEC	0.60	6.50X	-5.7	6.0	10.8	6.2	-64.7	3.3	15.8
RAM PACIFIC	O-RPACS	1890	18.18	1.44	FEB	1.36	10.88	3.6	40.4	8.0	13.2	-40.2	7.5	20.6
STATE MUTUAL	N-SMU	2766	3.43	0.00	DEC	0.00	1.50	-8.0	-14.3	0.0	0.0	-56.3	0.0	4.2
UNITED RLY	A-URT	3610	17.84	0.79	FEB	0.52	5.75	-2.2	0.0	11.1	13.7	-67.8	2.9	20.8
GROUP AVERAGE		2925	13.23	0.46		0.44	6.10	-0.9	16.7	13.9	7.6	-53.9	3.3	517.9

## HOW TO USE COMPARATIVE TRUST STATISTICS

These data are designed to facilitate comparison of relative efficiency of real estate investment trust managements with available funds. Readers should note that historical data are used and thus no earnings or dividend projections or estimates are included. Investors are advised to consider carefully the following distinctive characteristics of REITs compared with other industrial or financial securities:

**Annualized Dividend and Yield:** Most REITs do not pay a posted quarterly dividend rate but instead pay their approximate earnings (or net cash flow, if appropriate) for the quarter. They follow this practice because REITs are required to pay at least 90% of earnings to shareholders in order to qualify for exemption from Federal income taxes. This practice means that dividends paid by most REITs will vary much more from quarter to quarter than industrial securities. This possibility for quarterly variations gives REIT shares higher risk because earnings do not provide a safety margin of coverage for the dividend as they do for industrial stocks. The outlook and stability of dividends are thus key factors in our RELATIVE APPEAL RANKINGS. The "Annualized Dividend" column is the latest quarterly payout annualized by multiplying by four, and adjusted for any capital gains or other special dividend payments. Special dividends, marked "S", are paid to maintain tax exemption but are not expected to be continued in subsequent quarters. Because of these possible variations, annualized dividends and yield are not to be considered in any way as posted or guaranteed yields.

**Annualized Earnings and Price/Earnings Ratio:** For mortgage trusts, latest quarter earnings are multiplied by four. Zeroes indicate losses or no earnings for the quarter indicated. Losses per share are shown in RELATIVE APPEAL RANKINGS. For equity trusts, annualized net cash flow as calculated by Audit Investment Research, Inc. is used in place of earnings as the best single measure of results. Net cash flow is defined as net income plus depreciation minus mortgage amortization. The symbol "\$" indicates cash flow in the earnings column. For a few trusts, gross cash flow (i.e., net income plus depreciation) is used, denoted by "\*". Cash flow derived from amortization of debt discount is denoted by "@". The price/earnings ratio relates current price to the most appropriate earnings result. Both earnings (EPS) and net cash flow (CFS) per share for equity trusts for current periods are shown in RELATIVE APPEAL RANKINGS, and in the quarterly REIT PERFORMANCE RECORD issue.

**Shares:** The number of shares outstanding, in thousands, is the number issued as of the latest balance sheet and is not adjusted for any potential conversion of debentures or exercise of warrants. Book value per share is essentially net tangible worth per share. The number does not reflect any changes in asset values through appreciation or abnormal depreciation of assets, nor any potential increase from possible conversion of debentures. Realized and estimated investment losses, as determined by management's provision for possible losses, are deducted from book value under AICPA rules. Audit also deducts intangible debt discount and expense costs from book value.

Trusts are grouped into nine categories under three major groupings to facilitate comparison. The category used for each trust is shown in RELATIVE APPEAL RANKINGS. **Equity and combination** groups include **Equity** trusts with over 80% of invested assets in direct ownership of completed income producing properties; **Equity & Mortgage combination** which balance investments between equity ownership and mortgages; and **Subordinated Land** trusts, investing primarily in ownership of land beneath income producing properties and leased to building operators.

**Short-term mortgage** groups invest primarily in mortgages under three years maturity, mainly construction, land development and other interim loans. They are grouped by sponsorship as follows: **Mortgage banker; Independent; Commercial bank; and Miscellaneous financial institutions.**

**Intermediate & long-term mortgage** groups are classed as intermediate-term for those whose predominant holdings mature in three to 10 years; and **long-term** for those with loans maturing in over 10 years, and generally with some equity investments.

## CONVERTIBLE DEBENTURES

DEBENTURE	EX MAT	INT (%)	CONV AT	RECENT PRICE	YIELD (%)	% CHNG
ALISON MTG	OC '91	6.75	27.50	14.50	46.6	-3.3
AMER CENTURY AS	'90	7.00	21.00	40.50	17.3	-0.6
AMER CENTURY NY	'91	6.75	28.00	41.50	16.3	4.1
AMER HEALTH OC	'84	7.00	10.40	10.00	70.0	0.0
BAIKUAAKNEH OC	'91	6.75	21.00	65.00	10.4	3.2
BANKAMERICA OC	'90	6.75	21.00	67.00	10.1	-1.5
BENEF STU MI	AS '91	6.50	27.75	43.00	15.1	13.2
CAPITAL MTG OC	'91	6.50	33.00	27.00	24.1	5.9
CHASE MANHVN NY	'96	6.50	35.00	39.00	15.7	6.8
COLWELL MTG OC	'91	6.50	29.34	22.50	28.9	2.3
COWN GENERAL NY	'90	6.00	32.50	64.25	4.3	0.0
COVINTL MTG OC	'90	6.25	19.74	3.00	74.1	-5.9
EQUITAL LF M NY	'90	6.75	26.25	63.00	5.1	2.5
FINELITY MI OC	'85	7.75	21.25	6.00	54.9	0.0
FIRST FENN M OC	'91	6.75	26.00	45.00	15.0	7.1
FIRST UNION NY	'91	7.00	13.00	83.50	4.4	-2.9
FRANKLIN RLY AS	'89	7.00	10.00	61.13	11.5	0.5
GFI AMER MI OC	'91	7.00	35.50	14.00	50.0	-12.5
HAI-GOVER SG AS	'92	7.25	21.00	62.50	11.6	12.3
HEITMAN MTG AS	'92	7.50	14.70	47.25	15.9	8.6
HWC MTG OC	'91	6.75	21.00	36.00	14.8	0.0
HOTEL INVSTM OC	'90	7.75	21.00	71.00	10.9	4.4
HOTEL INVTS OC	'91	7.50	25.25	59.00	10.9	7.8
LINCOLN MTG OC	'90	8.00	11.00	26.00	30.4	-13.3
MASSMUTUAL MTG NY	'90	6.75	21.00	77.50	4.7	6.0
MASSMUTUAL NY	'91	6.25	33.50	71.00	4.8	4.4
MIDLAND MTG OC	'86	7.00	16.67	43.00	16.3	30.3
MONEY MTG IN NY	'90	7.00	11.00	80.00	4.7	-7.5
MTG INV WASH OC	'90	8.00	15.00	40.00	20.0	0.0
NATIONAL MTG OC	'91	7.00	12.00	3.00	233.3	-25.0
NATIONAL HFC OC	'91	7.00	28.00	52.00	14.5	0.0
NJ-PACIFIC OC	'91	6.75	21.00	17.00	34.7	-5.6
NO-SITH MUTL NY	'91	6.00	21.00	71.00	6.5	0.0
OLY STONE MT OC	'87	6.45	15.00	62.00	11.1	0.0
PACIFIC OC	'91	6.75	21.00	69.50	4.7	8.5
REALTY INCOM AS	'91	8.00	16.50	70.00	11.4	6.9
REFUNDIC MI NY	'90	7.25	19.00	66.00	11.0	4.2
SAIL (HFC) HL OC	'91	6.50	23.00	72.00	12.5	10.6
SAIL (HFC) HFC OC	'90	8.00	15.50	61.00	13.1	5.2
STATE MUTUAL AS	'91	6.75	21.00	42.00	16.1	4.1
SUITO MIT NY	'82	6.75	20.00	69.75	4.7	1.1
SUITO MTG AS	'91	6.75	20.00	60.50	11.2	-0.4
TRI-SOUTH MI NY	'92	7.00	24.50	20.00	35.0	5.3
US BANKCORP AS	'92	7.00	26.25	70.50	4.9	4.5
US REALTY IN NY	'89	5.75	20.20	46.25	12.4	6.3

CFS Rlty

## WARRANTS

NAME	EXCH/ SYMBOL	EXP DATE	OUT (000)	EXPR PRICE	NO. SH.	WTS PRICE	STK PRICE	CONV PREM	% CHG	MKT VA (MIL\$)
AMER CENTURY	A-ACUY	6/78	897	23.00	1.0	0.13	1.63	1319.0	-31.6	0.1
ATICO MTG INV	A-ACUY	12/79	563	15.00	1.0	0.50	2.13	627.7	-27.5	0.3
BANKS MTG	O-BANKS	12/77	1910	20.00	1.0	0.05	2.25	791.1	-80.0	0.1
BENEFIT-WINST	O-BWIT	7/77	1557	20.00	1.0	0.01	0.75	2564.0	-92.3	0.0
BENEFIT STU MT	O-BSMG	7/80	554	20.00	1.0	0.06	2.25	791.6	-80.0	0.0
MTG RLY TR	A-MRTG	11/77	1400	10.00	1.0	0.06	0.41	1142.0	-53.4	0.1
CAPITAL MTG	O-CMOKA	11/79	471	20.00	1.0	0.02	1.25	1501.6	100.0	0.0
CEVITAL MTG	O-CVHTW	3/77	775	20.00	1.0	0.01	3.13	539.3	-92.3	0.0
CITIZENSTG	O-CZMG	1/77	671	15.00	1.0	0.01	0.25	504.0	0.0	0.0
COLWELL MTG	A-CLMG	12/77	225	20.00	1.0	0.31	2.00	415.5	24.0	0.1
DEOVER PETA	O-DEPV5	5/77	177	11.00	1.0	0.13	7.00	59.0	0.0	0.0
FEDERAL RLT	O-FURLW	12/76	140	10.00	1.0	2.25	12.75	-3.9	-51.5	0.3
FIR MEMPHIS	O-FMEM	2/78	1124	20.00	1.0	0.03	2.34	741.6	0.0	0.0
FIRST DENVER	O-FDENW	10/77	1395	20.00	1.0	0.01	0.68	2173.9	0.0	0.0
FIRST UNION	O-FURFW	12/76	600	12.75	1.0	0.19	10.75	20.4	-50.0	0.1
GUARDIAN MTR	A-GMIW	7/79	241	35.00	1.0	0.13	1.50	2308.7	-46.0	0.0
GULF MTG&KLP	A-GMKL	3/77	2210	20.00	1.0	0.06	1.68	507.0	-33.3	0.1
HOSPITAL MTG	A-HMGW	2/77	1178	25.00	1.0	0.09	6.13	304.3	-43.7	0.1
JMA REALTY	O-JMBRA	8/77	510	20.00	1.0	0.13	12.00	67.7	0.0	0.1
MAT MTG INV	O-MTIMI	8/80	747	13.00	1.0	0.44	7.50	79.2	10.0	0.3
MISSION INV	A-MITW	3/77	604	16.50	1.0	0.06	2.25	636.0	0.0	0.0
MTG INV WASH	O-MINW	3/80	931	15.00	1.0	0.31	4.13	270.7	0.0	0.3
NORTH AM MTG	A-NAMW	3/77	710	31.13	1.0	0.50	3.75	450.1	-10.7	0.4
NOVSTN FINE	O-NFINW	11/77	1510	15.00	1.0	0.05	3.13	473.4	-61.5	0.1
PLAZA REALTY	A-PNWA	11/77	1113	18.50	1.0	0.06	1.13	1542.5	-53.4	0.1
PMA MGMTALTY	A-PMLW	12/77	1220	20.00	1.0	0.31	6.50	212.5	-38.0	0.4
REFUNDIC MI	A-RMIW	6/79	1064	20.00	1.0	0.13	1.63	1135.0	-46.0	0.1
RLTY REFUND	O-RREFW	6/77	1013	20.00	1.0	0.44	14.75	38.0	-12.0	0.4
SECURITY MTR	A-SMOW	5/79	3117	16.00	1.0	0.13	1.06	1421.7	-31.6	0.4
SUITO MIT (H)	A-SUITW	6/77	700	20.00	1.0	0.38	5.00	307.6	-24.0	0.3
UNITED RLY	A-URTW	12/76	3610	20.00	1.0	0.06	5.75	248.9	-53.8	0.2
US LSG RLT	A-USEW	12/80	1348	25.00	1.0	0.75	6.50	246.2	50.0	1.0

\*DEBENTURES USABLE IN LIEU OF CASH.



## RELATIVE APPEAL RANKINGS - Continued from Page 2

RA--TRUST (Date reviewed-Type-FY) Portfolio size, % problem status & mix; Financing; Latest EPS results, dividends & advice

- #5-BUILDERS INV(6/10/4-ST mtg.-Sep FY) NON-QUAL REIT; Port. \$445M, 94% problem: 44% condos & 1-family, 23% land & devel., 10% suspended projects; Financing: Negative equity; \$373M debt restructured at 1% inter. to 9/77, higher after, with asset pledge & contingent int.; Active swapping; Results: Dec. Q EPS d78c v. d96c. Shares: Avoid
- 5-CABOT C&F LAND (4/9/6-Subor. land-May FY) Port. \$212M, 56% problem; 32% undevel. land, 68% completed props.: 19% office, 27% apts.; Financing: 6.7 leverage; Seeking 5% minimum inter. on \$138.6M bank debt; Union Bank suing to get \$5M; Swaps planned; Results: Feb. Q d95c after 50c loss prov. v. d\$1.93. Bonds & shares: Avoid till credit set
- 5-CAMERON-BROWN (10/14/4-ST mtg.-Dec yr) VOTING NON-REIT PWR; Port. \$152M, 81% problem: 35% apts., 27% land & devel., 18% condos; Financing: 4.4 leverage; \$106.1M credit (at 3% min. int.) expired 4/1/76 & extension and default waivers sought; Results: Mar. Q EPS d65c v. d\$3.24. Shares: Trading buy if credit signed
- 5-CAPITAL MTG(6/10/4-ST mtg.-Dec. FY) VOTED NON-REIT PWR; Port. \$149M, 69% problem: 30% land & devel., 28% condos; 55% Md. & Vir.; Financing: High leverage; \$96M credit at 5% min. inter. signed, ending 3/31/77, with contingent inter. to 1983; Results: Mar. Q breakeven (after 71c/sh. int. deferral), v. 3c. Shares: Trading only
- 5-CENTRAL MTG (12/9/4-ST mtg.-Mar FY) Port. \$36M, 76% problem; 29% land acquisition, 28% apts., 18% comcl. & indust.; Financing: 2.2 leverage; \$26.4M open credit lines with banks, at prime rate with compensating balances; Results: Dec. Q EPS d75c after 83c loss prov., v. d47c. Shares: Hold for long-term recovery
- 5-CHASE MANHATTAN MTG(3/12/6-St mtg.-May FY) CAN END REIT PWR; Port. \$861M, 71% problem: 20% land & devel.; 18% condos, 14% office, 12% shop. ctrs.; Financing: Negative equity; \$761M credit at 2% inter., with contingent inter. to 1983-87; Expires 12/31/76 but extended if principal repayments made; Results: Feb. Q EPS d\$1.05 after \$1.05 loss prov., v. d\$1.26. Bonds: 7-7/8% sr. notes '78 high risk, others yield speculations. Shares: Avoid
- #5-CI MTG GROUP (6/10/4-ST mtg.-Oct FY) NON-QUAL REIT; Port. \$352M, 86% nonaccruing; 43% apts., 15% office, 12% condos; Financing: 9.0 leverage; Signed \$284.5M five year credit at 2% cash interest (but accrued at 3%), increasing to 6% at maturity 6/30/80; contingent inter. to 1985; all assets pledged; asset swaps planned; Results: Jan. Q EPS d49c v. d\$5.06; SEC probe continues. Shares: Trading only
- \*#5-CI REALTY INV (8/8/5-Equity-Feb FY) Port. \$173M, 15% problem; 87% ownership, 13% mtgs.: 48% apts., 29% office; Financing: 3.0 leverage; \$131M debt is \$95M mtgs. on property, \$36M bank; Negotiating \$35M one-yr. credit; Results: Nov. Q EPS d90c after 92c loss prov., v. d13c; CFS d78c; SEC probe. Shares: Long term recovery
- 5-CITINATIONAL DEV (No review-ST mtg.-Mar FY) Port. \$17M, 68% problems: 30% office, 28% 1-family; Financing: \$4.5M notes at prime to 9/30/76 when back inter. due; Results: Sep. Q EPS 6c v. 10c; No div. Shares: Limited interest
- 5-CITIZENS & SO RLTY(3/12/6-ST mtg.-Sep FY) CAN END REIT; Port. \$476M, 74% problems: 25% apts., 22% land, 16% apts.; Financing: 43 leverage ratio; \$399M credit at 1% cash inter. to 9/30/78, with contingent inter. to 1985; Results: Mar. Q EPS d\$1.03 v. d20c. Bonds: High yield speculation. Shares: Avoid or trade
- 5-CITIZENS GROWTH (8/12/4-Equity-Jan FY) Port. \$42M, 25% problem; 24% office, 23% motels, 21% improved land; Financing: \$11M credit at 6% to 6/30/76, with contingent inter. & assets pledged; Results: Oct. Q EPS d56c after 26c loss prov., v. 25c income after 36c lower interest benefit. Shares: Avoid for now
- 5-CITIZENS MIT (2/13/6-ST mtg.-Dec FY) NON-QUAL REIT; Port. \$104M, 75% problem: 26% land & devel., 23% condos, 20% apts.; Financing: Negative equity; \$75M term loan maturing June 30 defaults waived; 2% inter., plus contingent inter.; Swapping assets to banks; Results: Dec. FY d\$14.61; Dec. Q d\$9.93, v. d\$1.87. Bonds & shares: Avoid for now
- 5-CLEVETRUST RLTY (8/12/4-LT mtg.-Sep FY) CAN END REIT; Port. \$125M, 62% problem; 33% apts., 21% comcl., 17% land, 17% office; Financing: 3.0 leverage; \$63.8M two-yr credit at prime but not over 7%; contingent inter. for 4-6 yrs.; Results: Mar. Q EPS d18c v. d23c. Shares: Hold for long-term recovery
- 5-COLWELL MTG(2/13/6-ST mtg.-Dec FY) VOTED NON-REIT; Port. \$190M, 48% problem: 41% apts., 13% hotel/motel, 11% shop. ctrs.; Financing: 22.5 leverage; \$135M credit pending, expected by June 30; Paying 2% inter. pending final pact; Results: Mar. Q EPS d\$1.09 v. d\$2.53. Bonds & shares: Avoid till credit pact signed
- 2-CONN GEN M&R(4/11/5-LT mtg.-Mar FY) Port. \$414M, 9% problem: 27% regional shop. ctrs., 23% apts., 15% indust., 11% office; Financing: 2.9 leverage; \$245M debt is 53% comm. paper, 8% ST bank loans, 31% LT bank loans, 9% mtgs.; Results: Mar. Q EPS 37c v. 32c; CFS 45c v. 39c; Div 40c unch.; Sponsor may buy shares. Shares: Buy long term
- 3-CONSOL CAP RL (5/14/6-Equity-Nov FY) Port. \$59M, 0 problems: 73% apts. with 4,925 units, 20% shop. ctrs., 7% office; Financing: All mortgages secured by property; trust sold \$50M shares recently; Results: Nov. FY NCF \$1.61; Div. at \$2.00 rate & approx. 83% taxfree; affiliate manages properties. Shares: Speculative buy at over book
- 2-CONT ILL PROP (1/16/6-Equity-Oct FY) Port. \$184M, 6% problems; 69% apts. with 5,800 units, 29% in 5 shop. ctrs.; Financing: \$51M bank lines and \$54M mortgages on property; Results: Jan. Q EPS 20c v. 19c incl. 3c capital gain; CFS 30c before gain; Dividend 32c unch.. Shares: Buy long term
- 5-CONT ILL RLTY (2/13/6-ST mtg.-Mar FY) Port. \$292M, 72% problem; 28% condos, 22% apartments, 18% land & devel.; Financing: 11.4 leverage; \$222M at 4% minimum inter. plus contingent inter., maturing June 4, 1976; Results: Dec. Q EPS d10c v. d\$2.10 after \$2.12 loss prov.. Bonds & shares: Avoid till credit situation clears
- #5-CONTINENTAL MTG(11/11/4-ST mtg.-Mar FY) NON-QUAL REIT; Port. \$670M, 69% problem; 28% condos, 25% recreation, 16% land; Financing: 234 leverage; \$532M credit extension failed & trust filed Ch. XI Mar. 8, '76; SEC and some creditors moving for Ch. X; Results: Dec. Q EPS d97c after 45c loss provision. Bonds & shares: Avoid
- 5-COUSINS MTG&EQ (3/12/6-LT mtg.-Aug FY) NON-QUAL REIT; Port. \$315M, 70% problem: 35% apts., 24% land/devel., 16% hotel/motel; Financing: 17.3 leverage; \$205M credit at 4% inter., plus contingent inter. thru 1986; Credit matures 12/31/76; Swapping assets; Results: Feb. Q EPS d75c after \$1.26 gain on swaps. Bonds & shares: Trading

## DIVIDEND TRENDS: FURTHER LEVELING OFF IN MAY

Only nine trusts reported quarterly dividend action in May. The majority were unchanged from the previous quarter. Most of these were simply maintaining the sharply reduced payments of recent quarters, well below a year ago and peak levels. The quarter-to-quarter changes were balanced by two ups and downs each. The big hike was by equity Washington REIT whose first quarter earnings jumped sharply, this despite rent controls on four of its eight apartments. Modest relief, 5%, was only granted in February (see May 14 RTR) yet the profit gain was still good. Realty ReFund Trust, with its steady stable of refinanced loans on income properties, raised a penny. The cuts were by Gould Investors, an equity trust with troubled strip shopping centers and Lomas & Nettleton Mtg. whose loan portfolio has still not seen its expected bottom. Additionally, monthly paying New Plan Realty, small equity trust, boosted payment ½ cent following a 2-for-1 split. New Plan is headed for \$1.05 cash flow on new shares.

## Our tally of declarations

	Up	Same	Down	Total	%Change
May	2	5	2	9	-14%
Year	11	40	10	61	--

-----From previous year-----

May	3	1	5	9	-28%
Year	14	21	26	61	--

Trust	Record date	-Dividend/share-- Latest	Previous	--Net change-- Amt. Percent	Year Ago	% Change
BankAmerica Realty	5/28	\$0.05	\$0.05	\$ -- NC	\$0.00	--
Gould Investors	Omitted	0.00	0.07	-.07 -100	0.14	-100
Lomas & Nettleton Mtg.	5/7	0.09	0.36	-.27 -75	0.71	-87
Nationwide REI	5/25	0.03	0.03	-- NC	0.00	--
New Plan Realty	5/17	0.075M	0.07	+.005 +7	0.07	+7
PNB Mortgage & Realty	5/3	0.10	0.10	-- NC	0.10	NC
Pennsylvania REIT	7/30	0.575S	0.575	-- NC	0.575	NC
Property Capital	6/1	0.30	0.30	-- NC	0.29	+3
Realty Income Trust	5/28	0.15	0.15	-- NC	0.25	-40
Realty ReFund Trust	5/31	0.52	0.51	+.01 +2	0.45	+16
Washington REIT	6/4	0.39	0.325	+.065 +20	0.32	+22
TOTALS (9 Trusts)b		\$1.63	\$1.895	\$-.265 -14%	\$2.26	-28%

b-Excludes monthly and semi-annual declarations. NC-No change. M-Monthly. S-Semi-annual. Trusts with dividends reduced from previous quarter underlined.

## STRAIGHT BONDS

## STRAIGHT BONDS

Issuer & Desc.	Ex.	Int.	Mat.	Mil.\$	Price	Change	Yield
Alison Mtg.-b	NYx	8.75%	'79	\$25.0	\$19.00	- 21%	46%
Atico Mtg.-c#	NY	6.75	'82	16.9	51.75	+ 6	13
BT Mtg. Inv.-c	OC	5.75	'82	20.0	44.00	- 2	13
Barnett Mtg.-c#	OC	6.75	'91	17.3	16.00	0	42
Barnett Mtg.-cd	OC	8.50	'98	30.0	22.00	+ 5	39
Barnett-Win.-ce	OC	8.25	'98	30.0	40.00	+ 3	21
Cabot C&F Land-c	NY	8.50	'81	23.0	55.13	- 2	15
Chase Man. Tr.-a	NY	7.88	'78	50.0	66.00	+ 4	12
Chase Man. Tr.-c	NY	7.50	'83	60.0	45.88	+ 12	16
Cit.&So. Rlty.-c#	OC	6.75	'78	30.0	34.00	+ 21	20
Cit. Mtg. Inv.-b	ASx	8.50	'80	20.0	26.00	+ 18	33
Colwell Mtg.-b	NY	8.20	'80	25.0	52.50	+ 13	16
Cont. Ill.Rl.-b	NY	7.63	'79	25.0	68.00	- 2	11
Cousins M&E-c	NY	6.50	'82	30.0	35.75	+ 9	18
First Mtg.-a	OC	6.75	'82	13.8	21.00	0	32
First Mtg.-a	OC	8.25	'77	25.0	36.00	0	23
First Mtg.-a	OC	9.00f	'78-5	16.0	45.00	0	20
Great Amer.Mtg.-b	OC	7.55	'79	25.0	14.00	- 13	54
Great Amer.Mtg.-c	OC	8.75	'83	25.0	13.00	- 19	67
Guardian Mtg.-b	NY	7.50	'79	25.0	32.50	+ 6	23
Guardian Mtg.-c#	AS	6.75	'86	8.6	28.00	+ 10	24
Gulf Mtg.&Rl.-c#	AS	7.70	'80	20.0	65.25	+ 5	12

Issuer & Desc.	Ex.	Int.	Mat.	Mil.\$	Price	Change	Yield
Insti. Inv.-b	NY	7.88	'80	\$20.0	\$69.00	+ 10%	11%
Justice Mtg.-b	OC	7.75	'79	20.0	33.00	+ 14	23
LMI Investors-c	NYx	6.75	'82	25.0	22.00	+ 22	31
Midland Mtg.-b	NY	8.00	'80	19.7	62.13	+ 7	13
Mtg.Inv.Wash.-b	OC	8.50g	'80	15.0	42.00	0	20
NJB Prime Inv.-c#	OC	7.00	'80	12.9	17.00	+ 6	41
No.Amer. Mtg.-c	NY	5.50	'79	30.0	79.25	+ 3	7
New Plan Rlty.-c	OC	8.50	'91	1.0	60.00	0	14
Saul (B.F.)-c	NY	8.50	'80	25.0	80.00	- 1	11
State Mut.Inv.-b	NY	9.00	'80	25.0	58.13	+ 12	15
Security Mtg.-#	AS	7.25	'82	50.0	63.00	+ 3	12
Security Mtg.-c#	OC	6.00	'82	20.0	52.00	- 2	12
Tri-South Mtg.-b	NYx	7.75	'80	25.0	27.00	+ 23	29

Description: a-Senior; b-Senior subordinate; c-Subordinate or junior subordinate. d-Convertible at \$39 till 9/1/78 when price may be adjusted. e-Convertible at \$31 till 12/1/78 when price will be adjusted. f-Interest at 8½% after 11/1/75 and maturing at option of holder on that date. g-Variable rate at 1½% over prime in Oct. and April. x-Suspended by exchange. #—May be used at par to exercise warrants.

## COMPARATIVE TRUST GROUP AVERAGES 05/26/76

GROUP		SHARE N (000)	BOOK VALUE	ANN DIV*	EARN ANN*	LAST PRICE	-% CHNG MON AGO	FROM-- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MARKET VALUE
EQUITY TRUSTS	20	2010	11.30	0.78	0.87	9.40	1.6	13.2	10.8	8.3	-16.8	7.7	458.3
EQUITY AND MORTGAGE COMBIN	21	1618	10.72	0.23	0.30	4.64	1.2	21.7	15.5	4.9	-59.7	2.8	145.7
SUBORDINATED LAND TRUSTS	3	2689	13.56	0.67	0.71	6.40	0.9	0.3	9.1	10.4	-52.8	5.2	48.4
AVERAGE 3 EQUITY GROUPS	44	1869	11.17	0.51	0.59	6.92	1.5	14.8	11.8	7.4	-38.0	5.3	652.3
SHORT-TERM MTG-INDEPENDENT	15	3564	2.59	0.00	0.00	1.10	-4.8	25.0	0.0	0.0	-57.7	0.0	35.9
SHORT-TERM MTG-MTG BANKER	17	2075	10.07	0.31	0.21	4.09	-10.9	6.9	19.1	7.5	-59.4	2.1	157.5
SHORT-TERM MTG-COMCL BANK	17	2314	5.93	0.02	0.04	2.15	-10.5	17.5	48.1	0.9	-63.8	0.8	93.6
SHORT-TERM-MISC FINCL	10	2958	6.21	0.01	0.01	1.99	0.3	6.5	165.5	0.6	-68.0	0.2	49.6
AVERAGE 4 SHORT-TERM GROUPS	59	2672	6.32	0.10	0.08	2.41	-8.7	11.3	31.5	4.0	-61.8	1.2	336.5
INTERMEDIATE-TERM MORTGAGES	6	3395	5.67	0.35	0.35	3.22	-7.8	18.7	9.3	10.8	-43.2	6.1	35.7
LONG-TERM MTG & EQUITIES	22	2925	13.23	0.46	0.44	6.10	-0.9	16.7	13.9	7.6	-53.9	3.3	517.9
AVERAGE LONG & INTERMEDIATE	28	3025	11.61	0.44	0.42	5.49	-1.9	17.0	13.1	8.0	-52.7	3.6	553.6

## OVERALL AVERAGE

131

2478

9.08

0.31

0.32

4.59

-2.0

14.5

14.3

6.7

-49.5

3.5

1542.4

## DOW-JONES INDUSTRIAL AVERAGE

75.66

971.69

-3.0

+14.0

12.8

3.9

\*Latest quarter annualized